HEAVY EQUIPMENT DEPRECIATION SCHEDULE
(BEVS - SCREEN 6)

This schedule is to be used from January 1, 2004, through December 31, 2004, (reference ARM 42.21.131).

YEAR	TRENDED % GOOD
2004	80%
2003	65%
2002	58%
2001	53%
2000	48%
1999	44%
1998	41%
1997	39%
1996	36%
1995	33%
1994	34%
1993	31%
1992	29%
1991	27%
1990	28%
1989	26%
1988	27%
1987	24%
1986	22%
1985 & older	20%

Property Type	Class Code	Property Class	Taxable Percentage
Heavy Equipment	6511	8	3%

HEAVY EQUIPMENT VALUATION INSTRUCTIONS

To determine the market value for heavy equipment, use the methods listed below. **The methods should be used in a sequential order (1 before 2, 2 before 3, and 3 before 4).**

1. Use the "quick sale" value as shown in the current Green Guide.

   Example #1: A taxpayer owns a 1985 crawler loader. The make is a Caterpillar and the model is a 953. The "quick sale" as found in the Green Guide is $24,500.

   24,500 market value
   24,500 x 3% = 735 taxable value

2. Apply the percentages listed on the depreciation schedule to the original F.O.B. (factory price) as determined through old guidebooks. The percentage to be used will be determined by the year the heavy equipment was new.

   Example #2: A taxpayer owns a 1961 wheel loader. The make is a "Hough" and the model is a H50. Your current book does not show a "quick sale" for any year, but by looking through old guidebooks, you determine that the original F.O.B. for that year was $15,235.

   15,235 x 20% = 3,047 market value
   3,047 x 3% = 91 taxable value

3. Apply the percentage on the depreciation schedule to the trended F.O.B. (factory price) as determined by the new cost factor chart for heavy equipment. The percentage to be used will be determined by the year the heavy equipment was new.

   Example #3: A taxpayer owns a 1958 crawler tractor. The make is a Case and the model is a 750. Your current book does not show a "quick sale" for any year and you cannot find a F.O.B. for that year. You can, however, find a F.O.B. for a 1967 Case 750 and it is $13,979. The factor from the new cost factor chart for heavy equipment would be .83.

   13,979 x 83% = 11,603 trended F.O.B.
   11,603 x 20% = 2,321 market value
   2,321 x 3% = 70 taxable value

4. Use the New Cost Factor Chart (PPBA-19, Heavy Equipment) to trend down the "quick sale" value of equipment whose same make and model is listed in the current Green Guide but whose year is no longer listed.

   You may use this method in place of method (2) or (3) only if those methods result in a higher value being placed on a piece of equipment than the last year listed in the current Green Guide for that same make and model.

   Example #4: The taxpayer owns a 1982 Caterpillar 660 motor scraper. There is no current value listed but you find a "quick sale" listed for a 1983 Cat. Model 660.

   16,000 "quick sale" for 1983 Cat. Model 660
   16,000 x .98 = 15,680 trended quick sale/market value
   15,680 x 3% = 470 taxable value

5. Apply the percentages on the depreciation schedule to the acquired cost. The percentage to be used will be determined by the year acquired.

   Example #5: A taxpayer owns a 1988 ditcher. The make is Ditch-Witch and the model is 942. The taxpayer acquired the ditcher in 1990 for $11,500.

   11,500 x 28% = 3,220 market value
   3,220 x 3% = 97 taxable value

Heavy equipment includes but is not limited to the following: wheel loaders, crawler loaders, wheel tractors, crawler tractors, motor scrapers, motor graders, crawler cranes, truck cranes, hydraulic excavators, hydraulic cranes, mechanical excavators, air equipment, asphalt finishers, crushing equipment, ditchers, log skidders, log loading equipment, pumps, rollers, wheel excavators, tower cranes, buckets, pile driving equipment, belt loaders, concrete equipment, sweepers and brooms, motors and generators, road maintenance equipment, water well drilling equipment, draglines, skid steer loaders, backhoes, lift trucks, coal and ore haulers, off-highway hauling units, mobile asphalt equipment and all other miscellaneous special mobile equipment.

SPECIAL INSTRUCTIONS FOR LOG LOADING EQUIPMENT

Log loader **1987 New Cost** - $18,476.

If the log loader is not listed in the current Green guide or if the log loader can not be found in older Green Guides, the above cost should be trended (up or down) to the year new of the log loader.

1. Apply the percentage listed on the heavy equipment depreciation schedule to the year new cost or acquired cost of the log loader. The percentage to be used will be determined by that year.

If the truck (chassis-cab) and log loader are qualified for a SM plate, you should try to determine the original FOB of the truck. You would use a Truck Blue Book to determine that original FOB. The valuation of the log loader would be determined as outlined above.

If the taxpayer has an acquired cost, this may be utilized if you can not determine a value using the above methods.

Example: The taxpayer comes in to pay the taxes on a truck and log loader that are qualified for a SM plate. The truck is a 1984 Peterbilt and the year new of the log loader is 1980. Using an older truck blue book, you find an original FOB of $75,000 for the Peterbilt. The log loader is not listed in any Green Guide. He also reported that he acquired the truck and loader in 1984 for the package price of $86,000.

Truck FOB - $75,000 x 20% = $15,000
Log Loader - $18,476 x .79 (trend) = $14,596. (1980 trended new cost)
$14,596 x 20% = $2,919

15,000 + 2,919 = 17,919 market value
17,919 x 3% = 538 taxable value

If the truck's FOB could not be determined, the acquired cost would have been depreciated to determine current market value.

Acquired Cost - $86,000 x 20% = $17,200 market value

17,200 x 3% = 516 taxable value

Reference: 61-1-104 MCA – Special Mobile Equipment
61-3-431 MCA – Special Mobile Equipment (registration, etc.)